

## Message Text

LIMITED OFFICIAL USE

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64

ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 L-03 H-02 PA-01 PRS-01 /085 W

----- 112842

R 082045Z JUL 75

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 5820

LIMITED OFFICIAL USE LIMA 5490

EO 11652: NA

TAGS: EGEN, PINT, PE

SUBJ: MINISTER OF ECONOMY AND FINANCE DISCUSSES SAVINGS

REFS: A) LIMA 5303, B) LIMA 5341

1. ON JULY 7 MINISTER OF ECONOMY AND FINANCE GEN. AMILCAR VARGAS GAVILANO HELD A PRESS CONFERENCE EXPRESSLY TO REFUTE RUMORS THAT BOTH PRIVATE AND BUSINESS SAVINGS ARE THREATENED BY THE GOP'S NEW ECONOMIC PACKAGE (REF A). VARGAS STATED THAT THE NEW ECONOMIC MEASURES WOULD STIMULATE PRODUCTION IN THE COUNTRY, REDUCE SOME ARTIFICIALLY HIGH PRICES, AND THUS PERMIT GREATER SAVINGS BY INDIVIDUALS. HE SAID MANUFACTURING AND SERVICE COMPANIES WILL OBTAIN A GREATER PROFIT, THUS PERMITTING THESE COMPANIES TO SAVE MORE AS WELL. VARGAS CONCLUDED HIS PREPARED STATEMENT BY NOTING THAT THE GOP HAS NEVER TOUCHED NOR DOES IT INTEND TO TOUCH PRIVATE SAVINGS AND THAT IT WILL TAKE ALL NECESSARY STEPS TO MAINTAIN THE VALUE OF THESE SAVINGS.

2. COMMENT: THE FINANCE MINISTER'S PRESS CONFERENCE, HIS SECOND SINCE THE ECONOMIC PACKAGE WAS ANNOUNCED ON LIMITED OFFICIAL USE

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JUNE 30 (REF B), WAS OBVIOUSLY DESIGNED TO ASSUAGE THE

PERUVIAN PUBLIC'S CONCERN ABOUT ADVERSE EFFECTS OF  
PRICE INCREASES ON SAVINGS AND THE MINISTERS' EMPHASIS  
DURING THEIR DISCUSSION OF THE PACKAGE (REF A) THAT  
NATIONAL SAVINGS HAVE NOT BEEN SUFFICIENT. IT  
DEMONSTRATES ONCE AGAIN THE NATURE OF RUMORS IN LIMA,  
WHICH ARE REGULARLY GENERATED BY THE MIDDLE CLASS WHICH  
FEELS ITS PRIVILEGES ARE SLOWLY BEING WHITTLED AWAY.  
VARGAS DID NOT SPECIFICALLY MENTION EITHER INCREASED  
INCOME AND CORPORATE TAX MEASURES OR CHANGES IN THE NOW  
HIGHLY NEGATIVE INTEREST RATES TO WHICH HE ALLUDED  
DURING THE JUNE 30 PRESENTATION OF THE ECONOMIC PACKAGE.  
DEAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC CONDITIONS, ECONOMIC PROGRAMS, PRESS CONFERENCES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 JUL 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975LIMA05490  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750237-0768  
**From:** LIMA  
**Handling Restrictions:** n/a  
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**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750778/aaaacrfi.tel  
**Line Count:** 73  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 LIMA 5303, 75 LIMA 5341  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 12 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MINISTER OF ECONOMY AND FINANCE DISCUSSES SAVINGS  
**TAGS:** EGEN, PINT, ECON, PE, (VARGAS GAVILANO, AMILCAR)  
**To:** STATE  
**Type:** TE  
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